

United States Bankruptcy Court
NORTHERN District of ILLINOIS EASTERN Division
In re P3 Foods LLC Case No. 16-320-21
Debtor Chapter 11

**PERIODIC REPORT REGARDING VALUE, OPERATIONS AND PROFITABILITY OF
ENTITIES IN WHICH THE ESTATE OF [NAME OF DEBTOR]
HOLDS A SUBSTANTIAL OR CONTROLLING INTEREST**

This is the report as of August 2017 on the value, operations and profitability of those entities in which the estate holds a substantial or controlling interest, as required by Bankruptcy Rule 2015.3. The estate of [Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Entity	Interest of the Estate	Tab #
P3 Foods LLC	P3 Foods LLC	

This periodic report (the "Periodic Report") contains separate reports ("Entity Reports") on the value, operations, and profitability of each entity listed above.

Each Entity Report shall consist of three exhibits. Exhibit A contains a valuation estimate for the entity as of a date not more than two years prior to the date of this report. It also contains a description of the valuation method used. Exhibit B contains a balance sheet, a statement of income (loss), a statement of cash flows, and a statement of changes in shareholders' or partners' equity (deficit) for the period covered by the Entity Report, along with summarized footnotes. Exhibit C contains a description of the entity's business operations.

THIS REPORT MUST BE SIGNED BY A REPRESENTATIVE OF THE TRUSTEE OR
DEBTOR IN POSSESSION.

The undersigned, having reviewed the above listing of entities in which the estate of [Debtor] holds a substantial or controlling interest, and being familiar with the Debtor's financial affairs,

verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of his/her knowledge.

Date: 9/19/2017

Signature of Authorized Individual
Anthony Pendolini
Name of Authorized Individual
CEO, P3 Foods LLC
Title of Authorized Individual

[If the Debtor is an individual or in a joint case]

Signature(s) of Debtor(s) (Individual/Joint)

Signature of Debtor

Signature of Joint Debtor

B25C (Official Form 25C) (12-08)

UNITED STATES BANKRUPTCY COURT

Date: P3 Foods LLC

Case No.

16320-21

Debtor

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: August 2017

Date filed:

October 6th 2016

Line of Business: Burger King Franchise

NAICS Code:

122513

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY

(X) 
Original Signature of Responsible Party

Anthony Pendelino, CEO, P3 Foods LLC

Printed Name of Responsible Party

Questionnaire: Requests to be answered on behalf of the debtor.

Yes No

- | | | |
|---|-------------------------------------|-------------------------------------|
| 1. IS THE BUSINESS STILL OPERATING? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. DID YOU PAY YOUR EMPLOYEES ON TIME? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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- | | | |
|---|--------------------------|-------------------------------------|
| 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT. *\$5661.48 Minnesota Dept of Rev. Taxes - Resolution in process.*

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL INCOME \$ 1,197822

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month	\$ <u>12600</u>
Cash on Hand at End of Month	\$ <u>12600</u>
PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU	TOTAL \$ <u>426507</u>

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL EXPENSES \$ 1047930

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B)

\$ 1197822

EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C)

\$ 1047930

(Subtract Line C from Line B)

CASH PROFIT FOR THE MONTH

\$ 149892

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UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ *160,000 trade payables*

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ *0*

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

*251
220*

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

251

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

220

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ *0*

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ *5873124*

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ *0*

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ *0*

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PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$	\$	\$
EXPENSES	\$	\$	\$
CASH PROFIT	\$	\$	\$
TOTAL PROJECTED INCOME FOR THE NEXT MONTH			\$
TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH			\$
TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH			\$

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

P3 Foods, LLC
 Balance Sheet
 (Debtor in Possession)
 August 31, 2017

(See Notes to Balance Sheet)

Desc Main
 Current Assets
 Assets
 Cash on Hand
 Store 139 \$ 1,400
 Store 2423 \$ 1,400
 Store 2794 \$ 1,400
 Store 2920 \$ 1,400
 Store 3519 \$ 1,400
 Store 3970 \$ 1,400
 Store 4006 \$ 1,400
 Store 4669 \$ 1,400
 Store 13662 \$ 1,400
 Total Cash on Hand \$ 12,500

Liabilities and Capital
 Current Liabilities

Accounts/Notes Payable-Pre Filing \$ 2,471,022

Entered 09/29/17 09:49:10
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 Total Cash in Bank

Cash in Bank

Main

Store 139

Store 2423

Store 2794

Store 2920

Store 3519

Store 3970

Store 4006

Store 4669

Store 13662

Total Current Assets

Furniture, Fixtures & Equipment

Auto

Total Fixed Assets

Household Improvements

Franchise Fee

Total Assets

\$ 391,033 Total Current Liabilities \$ 2,471,022

\$ 1,047,572
 \$ 22,000
 \$ 1,069,572
 \$ 322,473
 \$ 25,000
 \$ 1,783,078

Notes to Balance Sheet
This Balance Sheet has been adjusted to the Cash Basis method of Accounting

Main Bank Phelps as accounting and business consultants, the added task of reconstructing the formal books began prior to the court order by focusing on balances owed to all creditors, making sure payroll for +250 employees was properly taken care of including making sure all payroll taxes were all current, sanitation measures were all current, sanitation measures were properly carried out, and in compliance with applicable laws, studying an efficient electronic accounting reporting system to be installed, a necessity to protect the financial investment made by all. Since date of filing on October 6, 2016 the process has been accelerated.

09:49:10 09/29/17 Please note that no reliable historical books of accounts exist and therefore beginning October 6, 2016 and continuing forward are being developed and thus requiring further amendments to presented financial statements may occur from time to time as further information unfolds.

09/29/17 Current Assets
Cash on Hand as shown is kept at each store in a secured manner under control of each store manager and signed off daily as counted each evening.

Entered 09/29/17 09/29/17 Assets in Bank as shown has been verified with US Bank demonstrated by a paper trail bank statement and Franchise journal prepared independently by US Bank and signed off by a banking official.

Entered 09/29/17 09/29/17 Inventory is not shown but rather expensed off to each store because there is very little shelf life assigned to either perishable food and paper items.

Entered 09/29/17 09/29/17 Assets , Leasehold Improvements and Franchise Fee have not been depreciated or amortized at this point due until such time as an inventory can be concluded disclosing purchase

Filed 09/29/17 09/29/17 Document
Doc 16 09/29/17 09/29/17 A detailed list of said assets,

Other Assets
The amount due from Peterson has not been estimated until investigation is completed determining the amount to be recovered

Doc 16 09/29/17 09/29/17 Abilities
All creditors' amounts due were taken from court records and/or company records and will be amended from time to time as new information surfaces.

2021 Capital
16 09/29/17 09/29/17 because no reliable historical records are available, the amount so stated will be amended once new data can be verified.

Cash in Bank
There is a cash rebate received from Restaurant Services, Inc in the amount of \$35,474 being held in reserve that has not been deposited into the bank accounts as of August 31, 2017.

P3 Foods, LLC

Consolidated and Individual Share Income Statement Cash Basis

ain